


**Standard Oil Company of California**

225 Bush Street, San Francisco, California 94104

March 27, 1981

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Chairman of the Board

Dear Stockholder:

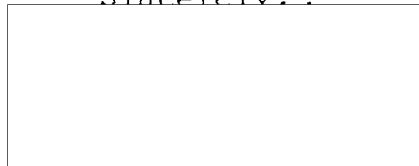
On February 18, President Reagan presented his comprehensive Program for Economic Recovery to Congress and the nation. As you know, the President's program calls for a fundamental re-direction in the role of the federal government, including spending cuts and other measures to reduce the budget deficit, tax cuts for individuals and businesses, regulatory reforms, and a recommitment to a stable monetary policy.

The President's intent is to stimulate the economy while bringing the federal budget back into balance over the next three years. The projected results, assuming the President's program is approved by the Congress, will benefit both individuals and business. The program offers the prospect of less inflation, lower interest rates, increased real incomes with a lower overall tax burden, and less non-productive regulatory intrusion.

Your Company believes that the President's program can be a major step towards the solution of our country's economic problems. Not unexpectedly, certain interest groups--including some businesses--have expressed concern with certain parts of the program. However, we do not believe the country would be well served by a protracted Congressional battle to modify the program in an attempt to be all things to all people. All interests, including business, will have to accept some economic sacrifices if the President's program is to be effective.

Accordingly, I would like to encourage you personally to support passage of the President's economic program without substantial modification, and to communicate your support to your Senators and Representative at the earliest opportunity.

Sincerely,



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